

AMENDED IN SENATE AUGUST 20, 2010

AMENDED IN ASSEMBLY JUNE 1, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2536

Introduced by Assembly Member Carter

February 19, 2010

An act to amend Sections 53533 and 53545 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2536, as amended, Carter. Housing and Emergency Shelter Trust Fund Acts of 2002 and 2006: supportive housing.

The Housing and Emergency Shelter Trust Fund Acts of 2002 and 2006 authorized the issuance of bonds pursuant to the State General Obligation Bond Law to fund various housing programs administered by the Department of Housing and Community Development. Under the acts, specified amounts of funds are transferred to the Emergency Housing and Assistance Fund to be distributed in the form of capital development grants under the Emergency Housing and Assistance Program.

This bill would require that the funds transferred to the Emergency Housing and Assistance Fund pursuant to both acts also be made available for supportive housing purposes, as specified.

This bill would incorporate additional changes in Section 53545 of the Health and Safety Code proposed by AB 2762, that would become

operative only if AB 2762 and this bill are both chaptered and become effective on or before January 1, 2011, and this bill is chaptered last.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53533 of the Health and Safety Code is
2 amended to read:

3 53533. (a) Moneys deposited in the fund from the sale of bonds
4 pursuant to this part shall be allocated for expenditure in
5 accordance with the following schedule:

6 (1) Nine hundred ten million dollars (\$910,000,000) shall be
7 transferred to the Housing Rehabilitation Loan Fund to be
8 expended for the Multifamily Housing Program authorized by
9 Chapter 6.7 (commencing with Section 50675) of Part 2, except
10 for the following:

11 (A) Fifty million dollars (\$50,000,000) shall be transferred to
12 the Preservation Opportunity Fund and, notwithstanding Section
13 13340 of the Government Code, is continuously appropriated
14 without regard to fiscal years for the preservation of at-risk housing
15 pursuant to Chapter 5 (commencing with Section 50600) of Part
16 2.

17 (B) Twenty million dollars (\$20,000,000) shall be used for
18 nonresidential space for supportive services, including, but not
19 limited to, job training, health services, and child care within, or
20 immediately proximate to, projects to be funded under the
21 Multifamily Housing Program. This funding shall be in addition
22 to any applicable per-unit or project loan limits and may be in the
23 form of a grant. Service providers shall ensure that services are
24 available to project residents on a priority basis over the general
25 public.

26 (C) Twenty-five million dollars (\$25,000,000) shall be used for
27 matching grants to local housing trust funds pursuant to Section
28 50843.

29 (D) Fifteen million dollars (\$15,000,000) shall be used for
30 student housing through the Multifamily Housing Program, subject
31 to all of the following provisions:

32 (i) The department shall give first priority for projects on land
33 owned by a University of California or California State University

1 campus. Second priority shall be given to projects located within
2 one mile of a University of California or California State University
3 campus that is suffering from a severe shortage of housing and
4 limited availability of developable land as determined by the
5 department. Those determinations shall be set forth in the Notice
6 of Funding Availability and shall not be subject to the requirements
7 of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title
8 2 of the Government Code.

9 (ii) All funds shall be matched on a one-to-one basis from
10 private sources or by the University of California or California
11 State University. For the purposes of this subparagraph, "University
12 of California" includes the Hastings College of the Law.

13 (iii) Occupancy for the units shall be restricted to students
14 enrolled on a full-time basis in the University of California or
15 California State University.

16 (iv) Income eligibility pursuant to the Multifamily Housing
17 Program shall be established by verification of the combined
18 income of the student and his or her family.

19 (v) Any funds not used for this purpose within 24 months of
20 the date that the funds are made available shall be awarded pursuant
21 to subdivision (a) for the Downtown Rebound Program as set forth
22 in paragraph (3) of subdivision (a) of Section 50898.1.

23 (E) Any funds not encumbered for the purposes set forth in this
24 paragraph, except subparagraph (D), within 30 months of
25 availability shall revert to the Housing Rehabilitation Loan Fund
26 created by Section 50661 for general use in the Multifamily
27 Housing Program.

28 (2) One hundred ninety-five million dollars (\$195,000,000)
29 shall be transferred to the Emergency Housing and Assistance
30 Fund to be expended for the Emergency Housing and Assistance
31 Program authorized by Chapter 11.5 (commencing with Section
32 50800) of Part 2 and for supportive housing purposes specified in
33 paragraph (3).

34 (3) One hundred ninety-five million dollars (\$195,000,000)
35 shall be transferred to the Housing Rehabilitation Loan Fund to
36 be expended for supportive housing projects under the Multifamily
37 Housing Program authorized by Chapter 6.7 (commencing with
38 Section 50675) of Part 2, to serve individuals and households
39 moving from emergency shelters or transitional housing or those
40 at risk of homelessness.

1 (4) Two hundred million dollars (\$200,000,000) shall be
2 transferred to the Joe Serna, Jr. Farmworker Housing Grant Fund
3 to be expended for farmworker housing programs authorized by
4 Chapter 3.2 (commencing with Section 50517.5) of Part 2, except
5 for the following:

6 (A) Twenty-five million dollars (\$25,000,000) shall be used for
7 projects that serve migratory agricultural workers as defined in
8 subdivision (i) of Section 7602 of Title 25 of the California Code
9 of Regulations. If, after July 1, 2003, funds remain after the
10 approval of all feasible applications, the department shall be
11 deemed an eligible recipient for the purposes of reconstructing
12 migrant centers operated through the Office of Migrant Services
13 pursuant to Chapter 8.5 (commencing with Section 50710) that
14 would otherwise be scheduled for closure due to health or safety
15 considerations or are in need of significant repairs to ensure the
16 health and safety of the residents. Of the moneys allocated by this
17 subparagraph, the department shall receive fifteen million dollars
18 (\$15,000,000) for these purposes subject to the following
19 conditions and requirements:

20 (i) The amount available to the department as a recipient shall
21 be limited to ten million seven hundred thousand dollars
22 (\$10,700,000) prior to September 1, 2006. The department may
23 receive up to four million three hundred thousand dollars
24 (\$4,300,000) in additional funds after that date and prior to July
25 1, 2007, to the extent that unencumbered funds are available.

26 (ii) The department shall make at least eight million one hundred
27 fifty-nine thousand dollars (\$8,159,000) available for flexible loans
28 and grants for projects that serve migratory agricultural workers
29 pursuant to subdivision (a) of Section 50517.10. These funds shall
30 be available for encumbrance until September 1, 2006.

31 (iii) Any funds allocated by this subparagraph remaining
32 unencumbered on July 1, 2007, shall revert for general use in the
33 Joe Serna, Jr. Farmworker Housing Grant Program.

34 (B) Twenty million dollars (\$20,000,000) shall be used for
35 developments that also provide health services to the residents.
36 Recipients of these funds shall be required to provide ongoing
37 monitoring of funded developments to ensure compliance with the
38 requirements of the Joe Serna, Jr. Farmworker Housing Grant
39 Program. Projects receiving funds through this allocation shall be

ineligible for funding through the Joe Serna, Jr. Farmworker Housing Grant Program.

(C) Except as provided in subparagraph (A), funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(5) Two hundred five million dollars (\$205,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated without regard to fiscal years to the department to be expended for the purposes of the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except for the following:

(A) Seventy-five million dollars (\$75,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 4.5 (commencing with Section 50860) of Part 1.

(B) Five million dollars (\$5,000,000) shall be used to provide grants to cities, counties, cities and counties, and nonprofit organizations to provide grants for lower income tenants with disabilities for the purpose of making exterior modifications to rental housing in order to make that housing accessible to persons with disabilities. For the purposes of this subparagraph, “exterior modifications” includes modifications that are made to entryways or to common areas of the structure or property. The program provided for under this subparagraph shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(C) Ten million dollars (\$10,000,000) shall be expended for construction management under the California Self-Help Housing Program pursuant to subdivision (b) of Section 50696.

(D) Any funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the CalHome Program.

(6) Five million dollars (\$5,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for capital expenditures in support of local code enforcement and compliance programs. This allocation shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the

1 Government Code. If the moneys allocated pursuant to this
2 paragraph are not expended within three years after being
3 transferred, the department may, in its discretion, transfer the
4 moneys to the Housing Rehabilitation Loan Fund to be expended
5 for the Multifamily Housing Program.

6 (7) Two hundred ninety million dollars (\$290,000,000) shall be
7 transferred to the Self-Help Housing Fund. Notwithstanding
8 Section 50697.1, these funds are hereby continuously appropriated
9 to the agency to be expended for the purposes of the California
10 Homebuyer's Downpayment Assistance Program authorized by
11 Chapter 11 (commencing with Section 51500) of Part 3, except
12 for the following:

13 (A) Fifty million dollars (\$50,000,000) shall be transferred to
14 the School Facilities Fee Assistance Fund as provided by
15 subdivision (a) of Section 51453 to be used for the Homebuyer
16 Down Payment Assistance Program of 2002 established by Section
17 51451.5.

18 (B) Eighty-five million dollars (\$85,000,000) shall be transferred
19 to the California Housing Loan Insurance Fund to be used for
20 purposes of Part 4 (commencing with Section 51600). The agency
21 may transfer these moneys as often as quarterly in amounts that
22 shall not exceed the dollar amount of new insurance written by
23 the agency during the preceding quarter for loans for the purchase
24 of homes made to owner-occupant borrowers with incomes not
25 exceeding 120 percent of the area median income, divided by the
26 risk-to-capital ratio required for the maintenance of satisfactory
27 credit ratings from nationally recognized credit rating services.

28 (C) (i) Twelve million five hundred thousand dollars
29 (\$12,500,000) shall be reserved for downpayment assistance to
30 low-income first-time home buyers who, as documented to the
31 agency by a nonprofit organization certified and funded to provide
32 home ownership counseling by a federally funded national
33 nonprofit corporation, are purchasing a residence in a community
34 revitalization area targeted by the nonprofit organization and who
35 have received home ownership counseling from the nonprofit
36 organization. Community revitalization areas shall be limited to
37 targeted neighborhoods identified by qualified nonprofit
38 organizations as those neighborhoods in need of economic
39 stimulation, renovation, and rehabilitation through efforts that

1 include increased home ownership opportunities for low-income
2 families.

3 (ii) Effective January 1, 2004, 50 percent of the funds available
4 pursuant to clause (i) shall be available for downpayment assistance
5 in an amount not to exceed 6 percent of the home sale price.

6 (iii) After 12 months of availability, if more than 50 percent of
7 the funds set aside pursuant to clause (ii) have been encumbered,
8 the agency shall discontinue that program and make all remaining
9 funds available for downpayment assistance pursuant to clause (i).
10 If, however, less than 50 percent of the funds allocated pursuant
11 to clause (ii) are encumbered after that 12-month period, the agency
12 may, at its sole discretion, either make all remaining funds provided
13 pursuant to clause (i) available for the purpose of clause (ii), or
14 may continue to implement clause (ii) until all of the funds
15 allocated for that purpose as of January 1, 2004, have been
16 encumbered.

17 (D) Twenty-five million dollars (\$25,000,000) shall be used for
18 downpayment assistance pursuant to Section 51505. After 18
19 months of availability, if the agency determines that the funds set
20 aside pursuant to this section will not be utilized for purposes of
21 Section 51505, these funds shall be available for the general use
22 of the agency for the purposes of the California Homebuyer's
23 Downpayment Assistance Program, but may also continue to be
24 available for the purposes of Section 51505.

25 (E) Funds not utilized for the purposes set forth in subparagraphs
26 (B) and (C) within 30 months shall revert for general use in the
27 California Homebuyer's Downpayment Assistance Program.

28 (8) One hundred million dollars (\$100,000,000) shall be
29 transferred to the Jobs Housing Improvement Account to be
30 expended as capital grants to local governments for increasing
31 housing pursuant to enabling legislation. If the enabling legislation
32 fails to become law in the 2001–02 Regular Session of the
33 Legislature, the specified allocation for this program shall be void
34 and the funds shall revert for general use in the Multifamily
35 Housing Program as specified in paragraph (1) of subdivision (a).

36 (b) No portion of the moneys allocated pursuant to this section
37 may be expended for project operating costs, except that this
38 section does not preclude expenditures for operating costs from
39 reserves required to be maintained by or on behalf of the project
40 sponsor.

1 (c) The Legislature may, from time to time, amend the
2 provisions of law related to programs to which funds are, or have
3 been, allocated pursuant to this section for the purpose of
4 improving the efficiency and effectiveness of the program, or for
5 the purpose of furthering the goals of the program.

6 (d) The Bureau of State Audits shall conduct periodic audits to
7 ensure that bond proceeds are awarded in a timely fashion and in
8 a manner consistent with this part, and that awardees of bond
9 proceeds are using funds in compliance with applicable provisions
10 of this part.

11 SEC. 2. Section 53545 of the Health and Safety Code is
12 amended to read:

13 53545. The Housing and Emergency Shelter Trust Fund of
14 2006 is hereby created in the State Treasury. The Legislature
15 intends that the proceeds of bonds deposited in the fund shall be
16 used to fund the housing-related programs described in this chapter
17 over the course of the next decade. The proceeds of bonds issued
18 and sold pursuant to this part for the purposes specified in this
19 chapter shall be allocated in the following manner:

20 (a) (1) One billion five hundred million dollars (\$1,500,000,000)
21 to be deposited in the Affordable Housing Account, which is
22 hereby created in the fund. Notwithstanding Section 13340 of the
23 Government Code, the money in the account shall be continuously
24 appropriated in accordance with the following schedule:

25 (A) (i) Three hundred forty-five million dollars (\$345,000,000)
26 shall be transferred to the Housing Rehabilitation Loan Fund to
27 be expended for the Multifamily Housing Program authorized by
28 Chapter 6.7 (commencing with Section 50675) of Part 2. The
29 priorities specified in Section 50675.13 shall apply to the
30 expenditure of funds pursuant to this clause.

31 (ii) Fifty million dollars (\$50,000,000) shall be transferred to
32 the Housing Rehabilitation Loan Fund to be expended under the
33 Multifamily Housing Program authorized by Chapter 6.7
34 (commencing with Section 50675) of Part 2 for housing meeting
35 the definitions in paragraphs (2) and (3) of subdivision (e) of
36 Section 11139.3 of the Government Code. The department may
37 provide higher per-unit loan limits as necessary to achieve
38 affordable housing costs to the target population. Any funds not
39 encumbered for the purposes of this clause by July 31, 2011, shall
40 revert for general use in the Multifamily Housing Program unless

1 the department determines that funds should revert sooner due to
2 diminished demand.

3 (B) One hundred ninety-five million dollars (\$195,000,000)
4 shall be transferred to the Housing Rehabilitation Loan Fund to
5 be expended for the Multifamily Housing Program authorized by
6 Chapter 6.7 (commencing with Section 50675) of Part 2, to be
7 used for supportive housing for individuals and households moving
8 from emergency shelters or transitional housing or those at risk of
9 homelessness. The Department of Housing and Community
10 Development shall provide for higher per-unit loan limits as
11 reasonably necessary to achieve housing costs affordable to those
12 individuals and households. For purposes of this subparagraph,
13 “supportive housing” means housing with no limit on length of
14 stay, that is occupied by the target population, as defined in
15 subdivision (d) of Section 53260, and that is linked to onsite or
16 offsite services that assist the tenant to retain the housing, improve
17 his or her health status, maximize his or her ability to live, and,
18 when possible, work in the community. The criteria for selecting
19 projects shall give priority to:

20 (i) Supportive housing for people with disabilities who would
21 otherwise be at high risk of homelessness where the applications
22 represent collaboration with programs that meet the needs of the
23 person’s disabilities.

24 (ii) Projects that demonstrate funding commitments from local
25 governments for operating subsidies or services funding, or both,
26 for five years or longer.

27 (C) One hundred thirty-five million dollars (\$135,000,000) shall
28 be transferred to the fund created by subdivision (b) of Section
29 50517.5 to be expended for the programs authorized by Chapter
30 3.2 (commencing with Section 50517.5) of Part 2.

31 (D) Three hundred million dollars (\$300,000,000) shall be
32 transferred to the Self-Help Housing Fund created by Section
33 50697.1. These funds shall be available to the Department of
34 Housing and Community Development, to be expended for the
35 purposes of enabling households to become or remain homeowners
36 pursuant to the CalHome Program authorized by Chapter 6
37 (commencing with Section 50650) of Part 2, except ten million
38 dollars (\$10,000,000) shall be expended for construction
39 management under the California Self-Help Housing Program
40 pursuant to subdivision (b) of Section 50696.

(E) Two hundred million dollars (\$200,000,000) shall be transferred to the Self-Help Housing Fund created by Section 50697.1. These funds shall be available to the California Housing Finance Agency, to be expended for the purposes of the California Homebuyer's Downpayment Assistance Program authorized by Chapter 11 (commencing with Section 51500) of Part 3. Up to one hundred million dollars (\$100,000,000) of these funds may be expended pursuant to subdivision (b) of Section 51504.

(F) One hundred million dollars (\$100,000,000) shall be transferred to the Affordable Housing Innovation Fund, which is hereby created in the State Treasury, to be administered by the Department of Housing and Community Development. Funds shall be expended for competitive grants or loans to sponsoring entities that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Specific criteria establishing eligibility for and use of the funds shall be established in statute as approved by a $\frac{2}{3}$ vote of each house of the Legislature. Any funds not encumbered for the purposes set forth in this subparagraph within 30 months of availability shall revert to the Self-Help Housing Fund created by Section 50697.1 and shall be available for the purposes described in subparagraph (D).

(G) One hundred twenty-five million dollars (\$125,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 14.5 (commencing with Section 50860) of Part 1. Any funds not encumbered for the purposes set forth in this subparagraph by November 17, 2011, shall revert for general use in the CalHome Program unless the department determines that funds should revert sooner due to diminished demand.

(H) Fifty million dollars (\$50,000,000) shall be transferred to the Emergency Housing and Assistance Fund for both of the following purposes:

(i) Distribution of capital development grants under the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800) of Part 2 of Division 31. The funds shall be administered by the Department of Housing and Community Development in a manner consistent with the

1 restrictions and authorizations contained in Provision 3 of Item
2 2240-105-0001 of the Budget Act of 2000, except that any
3 appropriations in that item shall not apply. The competitive system
4 used by the department shall incorporate priorities set by the
5 designated local boards and their input as to the relative merits of
6 submitted applications from within the designated local board's
7 county in relation to those priorities. In addition, the funding
8 limitations contained in this section shall not apply to the
9 appropriation in that budget item.

10 (ii) The availability of funds for supportive housing purposes
11 specified in subparagraph (B).

12 (2) The Legislature may, from time to time, amend the
13 provisions of law related to programs to which funds are, or have
14 been, allocated pursuant to this subdivision for the purpose of
15 improving the efficiency and effectiveness of the program, or for
16 the purpose of furthering the goals of the program.

17 (3) The Bureau of State Audits shall conduct periodic audits to
18 ensure that bond proceeds are awarded in a timely fashion and in
19 a manner consistent with the requirements of this subdivision, and
20 that awardees of bond proceeds are using funds in compliance with
21 applicable provisions of this subdivision. The first audit shall be
22 conducted no later than one year from voter approval of this part.

23 (4) In its annual report to the Legislature, the Department of
24 Housing and Community Development shall report how funds that
25 were made available pursuant to this subdivision and allocated in
26 the prior year were expended. The department shall make the report
27 available to the public on its Internet Web site.

28 (b) Eight hundred fifty million dollars (\$850,000,000) shall be
29 deposited in the Regional Planning, Housing, and Infill Incentive
30 Account, which is hereby created in the fund. Funds in the account
31 shall be available, upon appropriation by the Legislature, and
32 subject to such other conditions and criteria as the Legislature may
33 provide in statute, for the following purposes:

34 (1) For infill incentive grants for capital outlay related to infill
35 housing development and other related infill development,
36 including, but not limited to, all of the following:

37 (A) No more than two hundred million dollars (\$200,000,000)
38 for park creation, development, or rehabilitation to encourage infill
39 development.

1 (B) Water, sewer, or other public infrastructure costs associated
2 with infill development.

3 (C) Transportation improvements related to infill development
4 projects.

5 (D) Traffic mitigation.

6 (2) For brownfield cleanup that promotes infill housing
7 development and other related infill development consistent with
8 regional and local plans.

9 (c) Three hundred million dollars (\$300,000,000) to be deposited
10 in the Transit-Oriented Development Account, which is hereby
11 created in the fund, for transfer to the Transit-Oriented
12 Development Implementation Fund, for expenditure, upon
13 appropriation by the Legislature, pursuant to the Transit-Oriented
14 Development Implementation Program authorized by Part 13
15 (commencing with Section 53560).

16 (d) Two hundred million dollars (\$200,000,000) shall be
17 deposited in the Housing Urban-Suburban-and-Rural Parks
18 Account, which is hereby created in the fund. Funds in the account
19 shall be available upon appropriation by the Legislature for
20 housing-related parks grants in urban, suburban, and rural areas,
21 subject to the conditions and criteria that the Legislature may
22 provide in statute.

23 *SEC. 2.5. Section 53545 of the Health and Safety Code is*
24 *amended to read:*

25 53545. The Housing and Emergency Shelter Trust Fund of
26 2006 is hereby created in the State Treasury. The Legislature
27 intends that the proceeds of bonds deposited in the fund shall be
28 used to fund the housing-related programs described in this chapter
29 over the course of the next decade. The proceeds of bonds issued
30 and sold pursuant to this part for the purposes specified in this
31 chapter shall be allocated in the following manner:

32 (a) (1) One billion five hundred million dollars (\$1,500,000,000)
33 to be deposited in the Affordable Housing Account, which is
34 hereby created in the fund. Notwithstanding Section 13340 of the
35 Government Code, the money in the account shall be continuously
36 appropriated in accordance with the following schedule:

37 (A) (i) Three hundred forty-five million dollars (\$345,000,000)
38 shall be transferred to the Housing Rehabilitation Loan Fund to
39 be expended for the Multifamily Housing Program authorized by
40 Chapter 6.7 (commencing with Section 50675) of Part 2. The

1 priorities specified in Section 50675.13 shall apply to the
2 expenditure of funds pursuant to this clause.

3 (ii) Fifty million dollars (\$50,000,000) shall be transferred to
4 the Housing Rehabilitation Loan Fund to be expended under the
5 Multifamily Housing Program authorized by Chapter 6.7
6 (commencing with Section 50675) of Part 2 for housing meeting
7 the definitions in paragraphs (2) and (3) of subdivision (e) of
8 Section 11139.3 of the Government Code. The department may
9 provide higher per-unit loan limits as necessary to achieve
10 affordable housing costs to the target population. Any funds not
11 encumbered for the purposes of this clause by July 31, 2011, shall
12 revert for general use in the Multifamily Housing Program unless
13 the department determines that funds should revert sooner due to
14 diminished demand.

15 (B) One hundred ninety-five million dollars (\$195,000,000)
16 shall be transferred to the Housing Rehabilitation Loan Fund to
17 be expended for the Multifamily Housing Program authorized by
18 Chapter 6.7 (commencing with Section 50675) of Part 2, to be
19 used for supportive housing for individuals and households moving
20 from emergency shelters or transitional housing or those at risk of
21 homelessness. The Department of Housing and Community
22 Development shall provide for higher per-unit loan limits as
23 reasonably necessary to achieve housing costs affordable to those
24 individuals and households. For purposes of this subparagraph,
25 “supportive housing” means housing with no limit on length of
26 stay, that is occupied by the target population, as defined in
27 subdivision (d) of Section 53260, and that is linked to onsite or
28 offsite services that assist the tenant to retain the housing, improve
29 his or her health status, maximize his or her ability to live, and,
30 when possible, work in the community. The criteria for selecting
31 projects shall give priority to:

32 (i) Supportive housing for people with disabilities who would
33 otherwise be at high risk of homelessness where the applications
34 represent collaboration with programs that meet the needs of the
35 person’s disabilities.

36 (ii) Projects that demonstrate funding commitments from local
37 governments for operating subsidies or services funding, or both,
38 for five years or longer.

39 (C) One hundred thirty-five million dollars (\$135,000,000) shall
40 be transferred to the fund created by subdivision (b) of Section

1 50517.5 to be expended for the programs authorized by Chapter
2 3.2 (commencing with Section 50517.5) of Part 2.

3 (D) Three hundred million dollars (\$300,000,000) shall be
4 transferred to the Self-Help Housing Fund created by Section
5 50697.1. These funds shall be available to the Department of
6 Housing and Community Development, to be expended for the
7 purposes of enabling households to become or remain homeowners
8 pursuant to the CalHome Program authorized by Chapter 6
9 (commencing with Section 50650) of Part 2, except ten million
10 dollars (\$10,000,000) shall be expended for construction
11 management under the California Self-Help Housing Program
12 pursuant to subdivision (b) of Section 50696.

13 (E) Two hundred million dollars (\$200,000,000) shall be
14 transferred to the Self-Help Housing Fund created by Section
15 50697.1. These funds shall be available to the California Housing
16 Finance Agency, to be expended for the purposes of the California
17 Homebuyer's Downpayment Assistance Program authorized by
18 Chapter 11 (commencing with Section 51500) of Part 3. Up to one
19 hundred million dollars (\$100,000,000) of these funds may be
20 expended pursuant to subdivision (b) of Section 51504.

21 (F) One hundred million dollars (\$100,000,000) shall be
22 transferred to the Affordable Housing Innovation Fund, which is
23 hereby created in the State Treasury, to be administered by the
24 Department of Housing and Community Development. Funds shall
25 be expended for competitive grants or loans to sponsoring entities
26 that develop, own, lend, or invest in affordable housing and used
27 to create pilot programs to demonstrate innovative, cost-saving
28 approaches to creating or preserving affordable housing. Specific
29 criteria establishing eligibility for and use of the funds shall be
30 established in statute as approved by a $\frac{2}{3}$ vote of each house of
31 the Legislature. Any funds not encumbered for the purposes set
32 forth in this subparagraph within 30 months of availability shall
33 revert to the Self-Help Housing Fund created by Section 50697.1
34 and shall be available for the purposes described in subparagraph
35 (D).

36 (G) One hundred twenty-five million dollars (\$125,000,000)
37 shall be transferred to the Building Equity and Growth in
38 Neighborhoods Fund to be used for the Building Equity and
39 Growth in Neighborhoods (BEGIN) Program pursuant to Chapter
40 14.5 (commencing with Section 50860) of Part 1. Any funds not

1 encumbered for the purposes set forth in this subparagraph by
2 November 17, 2011, shall revert for general use in the CalHome
3 Program unless the department determines that funds should revert
4 sooner due to diminished demand.

5 *(H) Fifty million dollars (\$50,000,000) shall be transferred to*
6 *the Emergency Housing and Assistance Fund for both of the*
7 *following purposes:*

8 ~~*(H) Fifty million dollars (\$50,000,000) shall be transferred to*~~
9 ~~*the Emergency Housing and Assistance Fund to be distributed in*~~
10 ~~*the form*~~

11 *(i) Distribution* of capital development grants under the
12 Emergency Housing and Assistance Program authorized by Chapter
13 11.5 (commencing with Section 50800) of Part 2 of Division 31.
14 The funds shall be administered by the Department of Housing
15 and Community Development in a manner consistent with the
16 restrictions and authorizations contained in Provision 3 of Item
17 2240-105-0001 of the Budget Act of 2000, except that any
18 appropriations in that item shall not apply. The competitive system
19 used by the department shall incorporate priorities set by the
20 designated local boards and their input as to the relative merits of
21 submitted applications from within the designated local board's
22 county in relation to those priorities. In addition, the funding
23 limitations contained in this section shall not apply to the
24 appropriation in that budget item.

25 *(ii) The availability of funds for supportive housing purposes*
26 *specified in subparagraph (B).*

27 (2) The Legislature may, from time to time, amend the
28 provisions of law related to programs to which funds are, or have
29 been, allocated pursuant to this subdivision for the purpose of
30 improving the efficiency and effectiveness of the program, or for
31 the purpose of furthering the goals of the program.

32 (3) ~~*The*~~ *With the revenues from bond proceeds issued and sold*
33 *pursuant to this part, the Bureau of State Audits shall conduct*
34 *periodic audits to ensure that bond proceeds are awarded in a timely*
35 *fashion and in a manner consistent with the requirements of this*
36 ~~*subdivision section, and that awardees of bond proceeds are using*~~
37 ~~*funds in compliance with applicable provisions of this subdivision*~~
38 ~~*section.*~~ The first audit shall be conducted no later than one year
39 from voter approval of this part.

(4) In its annual report to the Legislature, the Department of Housing and Community Development shall report how funds that were made available pursuant to this subdivision and allocated in the prior year were expended. The department shall make the report available to the public on its Internet Web site.

(b) Eight hundred fifty million dollars (\$850,000,000) shall be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, and subject to such other conditions and criteria as the Legislature may provide in statute, for the following purposes:

(1) For infill incentive grants for capital outlay related to infill housing development and other related infill development, including, but not limited to, all of the following:

(A) No more than two hundred million dollars (\$200,000,000) for park creation, development, or rehabilitation to encourage infill development.

(B) Water, sewer, or other public infrastructure costs associated with infill development.

(C) Transportation improvements related to infill development projects.

(D) Traffic mitigation.

(2) For brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans.

(c) Three hundred million dollars (\$300,000,000) to be deposited in the Transit-Oriented Development Account, which is hereby created in the fund, for transfer to the Transit-Oriented Development Implementation Fund, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 53560).

(d) Two hundred million dollars (\$200,000,000) shall be deposited in the Housing Urban-Suburban-and-Rural Parks Account, which is hereby created in the fund. Funds in the account shall be available upon appropriation by the Legislature for housing-related parks grants in urban, suburban, and rural areas, subject to the conditions and criteria that the Legislature may provide in statute.

1 *SEC. 3. Section 2.5 of this bill incorporates amendments to*
2 *Section 53545 of the Health and Safety Code proposed by both*
3 *this bill and AB 2762. It shall only become operative if (1) both*
4 *bills are enacted and become effective on or before January 1,*
5 *2011, (2) each bill amends Section 53545 of the Health and Safety*
6 *Code, and (3) this bill is enacted after AB 2762, in which case*
7 *Section 2 of this bill shall not become operative.*

O